

LOUISVILLE METRO COUNCIL COMMITTEE MINUTES

Government Accountability and Oversight

Wednesday, April 22, 2009

4:05 P.M.

Third Floor, City Hall

Present: **Chairman:** CM Downard
 Vice Chair: CM King
 Members: CM Kramer, CM Henderson, CM Ward-Pugh,
 CM Fleming (Excused at 4:50 p.m.) and
 CM Brent Ackerson (Arrived at 4:35 p.m.)

Also Present: CM Green

Chairman Downard began the meeting by introducing the members and non-members of the committee that were present. A quorum was established.

[O-59-04-09 AN ORDINANCE ENACTING A NEW SECTION OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT CODE OF ORDINANCES \[LMCO\] TO ESTABLISH AN ANONYMOUS ETHICS TIP LINE](#)

Status: In-Committee

Committee: Government Accountability & Oversight

Primary Sponsor: Kevin Kramer

Additional Sponsor:

Tina Ward-Pugh
Doug Hawkins
Kenneth C. Fleming
Rick Blackwell
James Peden
Kelly Downard
Cheri Bryant Hamilton
Vicki Aubrey Welch
Mary C. Woolridge
Glen Stuckel
Hal Heiner
Jim King
Stuart Benson
Robin Engel
George Unseld
Judy Green

Motion to Approve made by Kevin Kramer and seconded by Tina Ward-Pugh.

Discussion: CM Kramer spoke to the ordinance. A power point presentation was given. (Attached) The following was discussed:

- Recommendations
- 71% of tip line calls were the first notification of an issue
- 54% prefer to be anonymous
- Who uses a 3rd Party Tip Line
 - Respective agencies such as MSD
 - Several states use a anonymous Tip Line
- Why a 3rd party instead of in-house
 - Experience
 - Cost effectiveness
 - Flexibility

- Security
 - Recommendation
 - Accountability
- 3rd Party Tip Line Vendors
- Ways to contact the Tip Line
 - Phones
 - Fax
 - E-mail
 - Web site
- Phones should be staffed 24/7 by real people
- Employees are professionally trained
- All callers will receive a tracking code
- Tip Line Routing Configuration
- 3rd Party Anonymous Tip Line Monthly Report would be submitted
- Would be Open Records once resolved

The following was also discussed

- Call volume
- Policy and Procedures will be set up
- Monthly Report created & Action regarding case recommended
- There is no 3rd Party reporting in the state. Calls would go out of State

Jerry Batson, Chilton & Medley PLC, and Eddie Muns, Jefferson County Public Schools System spoke regarding fraud and having a Tip Line. The following was discussed:

- Tips make up 50% of all fraud cases that have been reported
- Tip Lines should remain anonymous
- Three basic reasons to use a 3rd Party
 - Essential component of a Tip Line
 - Internal Audit
 - Effective internal controls
- 2/3 of the callers usually only call one time regarding an issue
- Statement of Audit Standards
- Jefferson County Public School System has an Anonymous Tip Line
 - Multi-language capabilities
 - Web case management software
 - Uses Company named Ethics Point
 - Every case should be investigated
 - Individuals can give their names if they chose
 - There is no disciplinary action for bogus claims
- Method of evaluating the tips
- Criteria for investigation

CM Fleming left at 4:50 and had an excused absence for the rest of the meeting.

Motion to Amend as follows was made by Kevin Kramer and seconded by Robert Henderson.

- **SECTION I:** A new section of the LMCO is hereby enacted as follows:
- (A) The Council hereby establishes a third party operated anonymous tip line [the “tip line”] that will offer the Metro Government employees and citizens of this community a resource to ~~telephonically~~ report privately their concerns of alleged unethical or illegal actions and/or behavior by another employee or official serving Louisville Metro in writing, by telephone, or through electronic means such as web or e-mail.
- (B) Complaints received will be forwarded to the Louisville Department of Internal Audit and any that are believed to be of merit by the tip line operator shall be forwarded to, but not limited to, one or more of the following Metro Government Departments for proper investigation: Metro Ethics Commission, Metro Human Resources, the Metro Human Relations Commission or the Louisville Metro Police Department.

- (C) The tip line will be available 24 hours a day, seven days a week and shall provide a toll free telephone number.
- (F) Within 45 days of the effective date of this ordinance, the Louisville Metro Internal Auditor shall draft and submit to the Metro Council its policies, rules, and regulations for the administration of this ordinance including, but not limited to, any contracts required for administration of the ordinance, reports to be made and records to be maintained. If the Metro Council does not approve, amend, or reject by resolution the Louisville Metro Internal Auditor's policies, rules, and regulations and any related contracts, within 45 days after submission to the Council, such policies rules and regulations shall go into effect the 46th day after submission.
- **SECTION II: EFFECTIVE DATE.** This ordinance shall take effect no later than ~~3~~ 6 months after its passage and approval.

The Amendment passed.

Mike Norman, Metro Government Internal Auditor also spoke to the ordinance. The following was discussed:

- An Anonymous Tip Line is only one component of Ethics
- Funding
- Will put an RFP out as soon as the ordinance is passed.
- The Tip line will be used for anything, not just finance and fraud
- Quarterly and Semi Annual reports on how the Tip Line is doing along with the monthly reports will be submitted
- Cost

This item as amended was sent to **Old Business**.

VOTING RESULTS: For: 6; Against: 0; Abstain: 0; Absent: 1

For: Jim King, Kelly Downard, Kevin Kramer, Robert Henderson, Tina Ward-Pugh, Brent Ackerson

Against: (None)

Abstain: (None)

Absent: Kenneth C. Fleming

Motion to Adjourn made by Tina Ward-Pugh. Without objection the Meeting adjourned at 5:00 P.M.

KQG